



# California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

## Media Advisory

FOR IMMEDIATE RELEASE

Media Contact: PUC Press Office, 415.703.1366, [news@cpuc.ca.gov](mailto:news@cpuc.ca.gov)

### **PUC HOSTS CONFERENCE WITH FERC ON WHOLESALE MARKET REDESIGN**

SAN FRANCISCO, November 3, 2003 -- The California Public Utilities Commission (PUC) will host a Technical Conference on behalf of the Federal Energy Regulatory Commission (FERC) to discuss issues associated with the wholesale market design discussed in FERC's Standard Market Design (SMD) proposal released in July 2002, and FERC's subsequent White Paper issued on April 28, 2003 (agenda follows).

**WHEN:** Thursday, Nov. 6, 2003, 10 a.m. to 5 p.m.

**WHERE:** PUC Auditorium, 505 Van Ness Ave., San Francisco

All interested persons may attend the conference, and although registration is not required, in-person attendees are encouraged to register on-line by close of business on Tuesday, Nov. 4 at: [http://www.ferc.gov/whats-new/registration/smd\\_1106-form.asp](http://www.ferc.gov/whats-new/registration/smd_1106-form.asp).

Capitol Connections offers the opportunity for remote listening of the conference via Real Audio or a phone bridge connection for a fee. Arrangements can be made by contacting David Reininger or Julia Morelli at Capitol Connections (703-993-3100). Transcripts of the conference will be immediately available from Ace Reporting Company (202-347-3700 or 1-800-336-6646) for a fee. They will be available for the public on FERC's eLibrary system seven calendar days after FERC receives the transcript.

### **AGENDA**

Docket Nos. RM01-12-000 et al.

#### **10:00–10:20 a.m.: Opening Remarks**

Pat Wood, III, Chairman, Federal Energy Regulatory Commission  
Michael Peevey, President, California Public Utilities Commission  
William Keese, Chairman, California Energy Commission

**10:20–10:40 a.m.: Discussion of the State of the California ISO’s Market Redesign**

California ISO Presentation: Overview of Current Operations of the CAISO, including MD02 Phase 1A – Spence Gerber

FERC Staff Presentation: Overview of MD02 Phases 1B, 2 and 3 Elements, including recent FERC actions – JB Shipley

**10:40 a.m. – Noon: Implementation Issues Related to Locational Marginal Pricing and Grid Congestion Management with Congestion Revenue Rights (CRR)**

*Discussion Topics:*

Does the CAISO MD02 Proposal:

- \*Provide native load with sufficient CRRs to hedge existing load and a process to hedge anticipated load growth?
- \*Provide market participants who wish to hold CRRs an adequate opportunity to obtain them?
- \*Properly maintain existing rights and obligations for transmission service in the transition to the full network model?
- \*Properly maintain existing rights and obligations to provide energy and capacity in the transition to the full network model?
- \*Adequately protect customers from congestion charges consistent with existing implicit and explicit transmission rights?
- \*Affect scheduling or other rights under existing contracts?

*Panelists:*

Ron Nunnally, Southern California Edison Company

Lorenzo Kristof, California Independent System Operator

Phil Auclair, Mirant

Jim Caldwell, American Wind Energy Association

Joe Desmond, Silicon Valley Manufacturers

**Noon – 12:10 p.m.: Break**

**12:10– 1:30 p.m.: Transitional Issues: Existing Transmission Contracts (ETCs) and Bilateral Contracts**

*Discussion Topics:*

Does the CAISO MD02 Proposal:

- \*Adequately alleviate “phantom congestion” and its financial impact?
- \*Properly incorporates rights under bilateral contracts and ETCs into the overall market?
- \*Clearly address any impact of LMP on contracts that have only a broadly defined delivery point, i.e., seller’s choice contracts?

*Panelists:*

Steve Metague, Pacific Gas & Electric Company

Brian Theaker, California Independent System Operator

Tony Braun, California Municipal Utilities Association

Steve Schleimer, Calpine Corp.

Pete Garris, California Department of Water Resources

Tom Hoatson, Goldman Sachs

**1:30– 2:30 p.m.: Lunch**

**2:30– 2:45 p.m.: Opening Remarks**

California Public Utilities Commission Presentation: Overview of Current Procurement Proceeding and Energy Action Plan and Infrastructure Development in California – Paul Clanon

**2:45– 3:45 p.m.: Market Mitigation, Resource Adequacy under the White Paper and its Relationship to Market Design Elements**

*Discussion Topics:*

How is California addressing Resource Adequacy and does it:

- \*Create a structure that supports long-term pricing and investment?
- \*Result in the appropriate signals for load and generation to forward contract?
- \*Provide for the appropriate relationship between resource adequacy and the ISO market design elements, such as market power mitigation?
- \*Provide for an appropriate mechanism for financing new power plants and retaining existing merchant generation in operation?

*Panelists:*

Curtis Kebler, Reliant Resources, Inc.  
Jim Hendry, California Public Utilities Commission  
Keith Casey, California Independent System Operator  
Jan Smutney-Jones, Independent Energy Producers Association  
Severin Borenstein, University of California Energy Institute

**3:45– 4:30 p.m.: Regional Decision-making: The Western Grid and State/Regional Committees**

*Discussion Topics:*

- \*Are there any additional processes that need to be overlaid to achieve broader regional views/goals, especially where one state comprises an RSC?
- \*Is it necessary to formalize a structure to address such western issues as transmission planning, access to market data for regulatory authorities, and market monitoring? If so, what are some possible vehicles for creating such a structure?
- \*How would recognition of an RSC be gained from FERC?
- \*How will a single-state RSC ensure regional infrastructure planning, e.g., bridge the various regional processes such as STEP and Northwest Planning?

*Panelists:*

Steve Greenleaf, California Independent System Operator  
Gary Ackerman, Western Power Trading Forum  
Don Garber, San Diego Gas & Electric Company  
Barbara Hale, California Public Utilities Commission  
Yakout Mansour, British Columbia Transmission Co.  
Sunne Wright McPeak, California Power Authority

**4:30– 5 p.m.: Discussion of Next Steps**

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